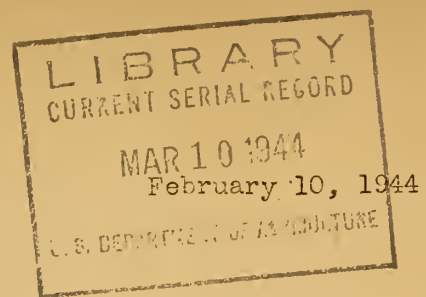


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WAR FOOD ADMINISTRATION
Office of Distribution
Washington 25, D. C.



GENERAL MEMORANDUM NO. 23

To: Regional and Federal-State Supervisors and Graders of the Inspection and Grading Division, Dairy and Poultry Branch

From: Henry G. F. Hamann, Chief, Inspection and Grading Division, Dairy and Poultry Branch

Subject: Charges Made to Federal Departments for Grading or Sampling Services on Dairy and Poultry Products

It has been the practice of this Division to furnish grading service on dairy and poultry products to other agencies of the Federal government upon request of those agencies. There has been no change in the basic principle in charging for this service and this memorandum is being issued at this time upon request, in order that you may have written instructions on that subject.

In line with the basis for charges as outlined in SRA-137, fees and charges shall be based upon the actual time required to render the service, including the time required for travel by the grader or sampler between his office or point of previous duty and the place of service, and in addition, charges may be made to cover the cost of travel and other expenses incurred. Fees should be stated on the grading certificates in terms of hours or fractions of hours, the minimum charge being one-fourth hour. Expenses incurred (travel and subsistence) should be entered as such in the space provided for expenses, and should be stated in terms of dollars and cents. Billings to other Federal Departments are made by the Washington office and transfers of funds are made from the different Federal Departments to the credit of the various trust fund accounts from which the graders are paid. Gradings for Federal Departments should be entered on the monthly record of gradings, FDA-188, and fees should be entered in terms of time. In addition, expenses incurred should be entered as part of the record. Form FDA-481 (DP-113, revised) should also be prepared and this form should indicate the fees in terms of time, as well as expense charges so that proper collections can be made.

At the present time all Federal Departments are being charged for grading service at the rate of \$2.15 per hour, which is considered to be the average cost for the service. This fee includes increased cost due to overtime work, as well as clerical service. It is pointed out that this rate per hour may change from time to time as conditions change.

Each grader should become familiar with the terms of the contract under which the product to be graded is purchased from the contractor. In general, the Federal Department bears the cost of grading when the product meets the specifications of the contract, while the contractor must pay for other tenders. The following quotation is from Standard Specifications for Packing House and Dairy Products, Veterans' Administration Facilities: "If a product intended for delivery to a Veterans Administration Facility is graded and rejected by the Agricultural Marketing Service*, the contractor shall pay to the Agricultural Marketing Service* the cost of grading the rejected product. The Veterans Administration will

pay the cost of inspecting and grading products accepted by the Bureau of Animal Industry and the Agricultural Marketing Service.*"

While there is no definite statement of this kind in the General Specifications for Inspection of Material issued by the U. S. Navy Department, verification of the basis for charge for the grading service was made with that Department and we were advised that we were correct in our understanding that the U. S. Navy Department would bear the cost of grading on products accepted for delivery, while the cost of grading products that are rejected should be borne by the contractor. The cost of grading as a rule calls for the time fee and the expense charges for travel and subsistence. We know of only one case where the Federal Department bears the cost of grading but requires the contractor to pay travel and subsistence expense. That department is the Federal Security Agency, and awards so far have been made to Washington and Baltimore firms only.

In instances where grading service or check-grading is requested by other Divisions of FSCC or WFA, expenses incurred should be shown in terms of dollars and cents on the certificates while the fees should be stated in terms of time. At present, grading work for the U. S. Navy, Veterans Administration, and Marine Corps is general throughout the United States. Unless there are unusual circumstances, those Departments bear the cost of grading, including expenses for travel and subsistence. In the case of gradings made for Veterans, two copies of each certificate must be forwarded to Washington since one copy must accompany the bill to the Veterans Administration. Gradings made for the U. S. Coast Guard are normally charged to that organization; expenses as well as time fees. In presenting the bill to the U. S. Coast Guard, we must furnish an itemized list of vessels or receiving agents, therefore, certificates should give adequate information for that purpose. Since we are unable to secure from the Coast Guard at this time, a list of their vessels, we must depend upon each grader to give definite and correct information along that line. Do not enter vessels assigned to the U. S. Navy on certificates intended for the U. S. Coast Guard. While the U. S. Coast Guard is under the jurisdiction of the U. S. Navy, separate bills must be prepared for the U. S. Coast Guard and the U. S. Navy.

At present, gradings made for the War Shipping Administration are charged to the shipping line or firm acting as agent or to the vendor, therefore, charges are made on a cash basis.

It is impractical to give a definite statement concerning requirements of all Federal Departments in the matter of charges made for the grading service. It is suggested that each grader make definite inquiry of the provisions of each contract and determine from information obtained from them the procedure to be followed in making charges for the service. If this information cannot be obtained, we shall be glad to contact the Washington office of the Federal Department concerned and transmit the information needed.

*Now Office of Distribution, War Food Administration.

Henry E. Manheim